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EX PARTE OR LATE FILED

October 8, 1997

**Memorandum of Ex Parte Communication**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

RECEIVED

OCT - 8 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Mr. Caton:

Re: CC Docket No. 94-1 and 96-262 - Access Reform

As requested by the Competitive Pricing Division staff, the attached letter was today delivered to Rich Lerner and Dana Bradford. This letter describes the status of SWBT's collocation offerings in Texas. We are submitting the original and one copy of this Memorandum to the Secretary in accordance with Section 1.1206(b)(2) of the Commission's rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at (202) 326-8889 should you have any questions.

Sincerely,

Attachment

cc: R. Lerner, D. Bradford

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OCT 10 1997  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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Director-  
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EX PARTE OR LATE FILED

October 8, 1997

Mr. Richard Lerner  
Federal Communications Commission  
Competitive Pricing Division  
1919 M Street, N.W.  
Room 518  
Washington, D.C. 20554

Dear Mr. Lerner,

Following is a description of Southwestern Bell Telephone's (SWBT) collocation activities in Texas and is provided in response to an inquiry by the Commission's Competitive Pricing Division staff. Since SWBT is providing both physical and virtual collocation in Texas today, both offerings are described below.<sup>1</sup>

#### Virtual Collocation

Virtual collocation has been offered under interstate tariffs by SWBT since September 1994. As of last month, there are 36 "in-service" virtual collocation arrangements in Texas, serving a total of eight customers. Currently there are two arrangements being installed for two additional carriers. These virtual collocation arrangements permit carriers to provide exchange access and local exchange services.

#### Physical Collocation

SWBT has 26 physical collocation arrangements that have been accepted by a total of five customers and are in various stages of completion. A total of five of these physical collocation arrangements for two customers have been entirely completed. Of the 21 arrangements that are still under construction, SWBT has completed as much of its construction work as possible in eight locations and cannot proceed further until the customers complete their work activities. SWBT is awaiting customer responses on

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<sup>1</sup> In Texas, SWBT has either responded to or is developing responses to almost 100 applications for physical collocation. Prior to the passage of the Telecommunications Act of 1996, SWBT elected to fulfill its interconnection requirements through virtual collocation arrangements rather than through physical collocation arrangements. Other LECs such as Pacific Bell elected to provide only physical collocation and therefore may have greater numbers of physical collocation arrangements in place today.

seven additional proposals and is developing an additional 28 proposals in response to other carrier applications.

Additionally, SWBT has submitted a physical collocation tariff to the Public Utility Commission of Texas in response to an award resulting from arbitration proceedings with AT&T, MCI and TCG. The tariff, which initially included some special construction and associated pricing for locations where infrastructure upgrades were necessary, was submitted on February 18, 1997. On June 27, 1997, SWBT submitted a revised tariff that included specific rates (i.e. no special construction) for all offices where physical collocation has been requested. The Public Utility Commission of Texas held hearings and issued an award on the terms and conditions of this tariff on September 30, 1997. A revised tariff to comply with the most recent award will be filed November 3, 1997, addressing both physical and virtual collocation for local exchange service, with final rates to be reviewed by the Public Utility Commission of Texas, for an anticipated effective date before year-end.

Until the above-referenced tariffs are effective, interim rates adopted by the November 7, 1996, award are currently available in Texas. As ordered by the Public Utility Commission of Texas, these interim rates are based "on the average rates set in collocation agreements entered into by a sample of other RBOCs. The method for arriving at this average will be that proposed by TCG in its post-hearing brief."<sup>2</sup> (emphasis added) TCG and SWBT jointly filed our interconnection agreement in November 1996, reflecting the interim rates for collocation subject to true-up to the tariff approved rates.

As this information demonstrates, SWBT is fully complying with its obligations regarding collocation through both its physical and virtual offerings and agreements for proceeding with collocation arrangements have been in place since soon after the adoption of the Telecommunications Act of 1996. During the development of SWBT's collocation tariffs under the oversight of the Public Utilities Commission of Texas, no party has been denied a vehicle by which to fulfill its needs for collocation.

Please contact me at the above-listed number if you wish to discuss this matter further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay Bennett".

cc: Dana Bradford

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<sup>2</sup> TCG Brief (October 18, 1996) at 41; Texas Arbitration Award Consolidated Docket Nos. 16189, 16196, 16226, 16285 and 16290, November 7, 1996 at par. 93.